



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve Participation in City of Fresno's Contract for Replacement of Granular Activated Carbon for DBCP Treatment Systems at City Wells No. 16, 22, and 23

MEETING DATE: April 1, 1998

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to execute the necessary agreements to purchase/regenerate granular activated carbon (GAC) from Northwestern Carbon under the applicable terms of the City of Fresno's contract.

BACKGROUND INFORMATION: The City of Lodi currently has four wells with treatment systems which use GAC to remove dibromochloropropane (DBCP). Three of these treatment systems went off line in October, 1997 due to the GAC reaching the end of its usefulness in removing DBCP to the required 0.2 parts-per-billion level. The replacement or regeneration of the GAC must be completed before the end of May, 1998 to have these three wells on line for the beginning of this summer's high water demands.

The City of Fresno solicited bids for the purchase and regeneration of GAC used in well treatment systems to remove DBCP. Fresno has numerous wells with GAC treatment systems and received prices commensurate with its volume of GAC purchases. The results of the bidding process showed Northwestern Carbon's bid (copy attached) to be the lowest on the items Lodi is requiring. Northwest Carbon has furnished the City of Lodi with both new GAC and GAC regeneration in the past.

FUNDING: The money for this project will be coming from the Water Utility Funds' DBCP Operations and Maintenance account which, in part, is reimbursed under the terms of the DBCP settlement.

Project Estimate:	\$150,000
Budgeted:	1997/98 Operating Budget

Ruby R. Paine for
Vicky McAthie
Finance Director

Richard C. Prima, Jr.
Richard C. Prima, Jr.
Public Works Director

Prepared by Frank Beeler, Assistant Water/Wastewater Superintendent

RCP/FB/dsg

Attachment

cc: City Attorney
Purchasing Officer
Water/Wastewater Superintendent

APPROVED: _____

H. Dixon Flynn
H. Dixon Flynn -- City Manager



NORTHWESTERN CARBON

2-25-98

Mr. Frank Beeler
THE CITY OF LODI
1331 So. Ham Lane
Lodi, CA 95242

Dear Mr. Beeler:

Thank you for the opportunity to update our "piggy back" offer for your upcoming carbon change-out requirements.

As discussed, public agencies often "tack on" or "piggy back" on a neighboring community's contract for identical products or services. NWC has competitively bid open contracts with the City of Fresno for both virgin and recycling change-out service requirements. Several local cities (Modesto, Clovis, Sanger, Ripon, Reedley) have "tacked on" and received the favorable competitively bid pricing enjoyed by the City of Fresno.

This fax will confirm the NWC offer to extend this "piggy back" option (Fresno contract pricing) to the City of Lodi for the upcoming carbon requirements. Attached you will find two purchase orders from the City of Fresno that confirm pricing and refer to Requirements Contracts Awarded to NWC by the Fresno City Council following the competitive bid process. Both contracts have been extended and are "open contracts" with NWC at this time. I've also attached the results of the virgin carbon solicitation for your review. NWC was the sole responder to the recycling solicitation with pricing as shown below. In summary:

- Pricing for spent carbon removal, transportation of spent carbon, and the reactivation or disposal of spent carbon for a 20,000 lb. vessel is shown on PO42304 and totals \$3,790 or 18.95 ¢/lb. This service price/lb. may be applied to varying vessel quantities and regardless of whether reactivated or virgin carbon is ultimately re-installed.
- Pricing for the return and reinstallation of recycled carbon (45¢/lb.) is also shown on PO 42304.
- Pricing for transport and installation by slurry transfer of virgin carbon (69.27¢/lb.) is shown on PO39691.

Application of this favorable contract pricing to your project requirements under a "piggy back" order will result in the following:

- Well #22, virgin change out of two 30,000 lb. vessels \$ 52,932
(60,000lbs. x 18.95¢/lb. + 60,000lbs. x 69.27¢/lb.)
- Well #23, recycle change out of two 30,000 lb. vessels \$ 38,370
(60,000lbs. x 18.95¢/lb. + 60,000lbs. x .45¢/lb.)
- "Third" well site, virgin change out of three 22,000 lb. vessels \$ 58,225
(66,000lbs. x 18.95¢/lb. + 66,000lbs. x 69.27¢/lb.)

Virgin carbon will be premium quality Bituminous Coal Based NWC LB-830 which has been certified to meet the strict ANSI/NSF Standard 61 Classification for drinking water carbon system applications (information attached).

I had forgotten that I had given you special pricing for just the removal and disposal of the 66,000 lbs. of spent carbon at the "third" well site. This option is still available as quoted below:

NWC will remove the non-hazardous spent carbon used for the removal of DBCP from the City's three 22,000 carbon vessels (66,000 lbs.) and transport it to the NWC thermal regeneration facility in Red Bluff, CA where it will be reactivated and retained for future sale to industry. A Certificate of VOC Destruction will be provided. Total price = \$26,400 (non-taxable).

NWC is no longer available for the removal and disposal of DBCP contaminated Lignite.

We are prepared to begin this project immediately and, of course, you can expect the highest quality in products and service from all of us at NWC. Please call me if I can be of further assistance.

Sincerely,



Terry Thorndyke
V.P. Municipal Programs